

Hearing Date: February 8, 2008

Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOF OF CLAIM NUMBER 5980 (PBR KNOXVILLE LLC)**

**("STATEMENT OF DISPUTED ISSUES – PBR KNOXVILLE LLC AND SPECIAL
SITUATIONS INVESTING GROUP INC.")**

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 5980 filed by PBR Knoxville LLC ("PBR Knoxville") and subsequently transferred to Special Situations Investing Group Inc. ("SSIGI," and together with PBR Knoxville, the "Claimants") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.
2. On May 16, 2006, PBR Knoxville filed proof of claim number 5980 (the "Proof of Claim") against Delphi. The Proof of Claim asserts an unsecured non-priority claim in the amount of \$9,225,767.18 for the sale of goods (the "Claim").
3. On July 19, 2006, PBR Knoxville transferred the Proof of Claim to SSIGI (Merrill Lynch Credit Products, LLC) pursuant to a notice of transfer (Docket No. 4611).
4. On October 27, 2007, the Debtors objected to the Proof of Claim pursuant to the Debtors' Twenty-Second Omnibus Objection Pursuant To 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 To Certain (A) Duplicate Or Amended Claims, (B) Equity Claims, (C) Insufficiently Documented Claims, (D) Claims Not Reflected On Debtors' Books and Records, (E) Untimely Claims, and (F) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, Claims Subject To Modification That

Are Subject To Prior Orders, And Modified Claims Asserting Reclamation That Are Subject To Prior Orders (Docket No. 10738).

5. On November 20, 2007, PBR Knoxville filed its Response of PBR Knoxville LLC To Debtors' Twenty Second Omnibus Objection Pursuant to 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Duplicate Or Amended Claims, (B) Equity Claims, (C) Insufficiently Documented Claims, (D) Claims Not Reflected On Debtors' Books And Records, (E) Untimely Claims, And (F) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, Claims Subject To Modification That Are Subject to Prior Orders, And Modified Claims Asserting Reclamation That Are Subject To Prior Orders (Docket No. 10989) (the "Response").

Disputed Issues

A. Neither Delphi Nor DAS LLC Owes PBR Knoxville The Amount Asserted In the Proof of Claim

6. PBR Knoxville asserts in the Proof of Claim that Delphi owes PBR Knoxville a total of \$9,225,767.18 for goods sold. The Debtors have reviewed the information attached to the Proof of Claim and the Response and dispute that either Delphi or DAS LLC owes the amount asserted in the Proof of Claim.¹

7. PBR Knoxville Was Overpaid Prepetition. Prior to the Petition Date, Robert Bosch Corporation (a/k/a Pacific BBA Limited), a vendor of PBR Knoxville, paid PBR Knoxville \$68,308.80 for outstanding invoices. DAS LLC also paid PBR Knoxville on July 1, 2005 in the amount of \$68,308.80 for the same goods. On April 16, 2006, when DAS LLC

¹ Although the Proof of Claim was asserted against Delphi, the Debtors believe the Proof of Claim is more properly asserted against DAS LLC and have sought to change the Debtor entity against which the claim is asserted to DAS LLC.

learned that Bosch had paid PBR Knoxville, DAS LLC created a debit in the amount of \$68,308.80. PBR Knoxville added \$68,308.80 to the Proof of Claim rather than subtracting it even though the Proof of Claim acknowledges that there was an overpayment made in the amount of \$68,308.80.

8. After taking into account the above-referenced deductions to the Proof of Claim, the Debtors reconciled the Proof of Claim as illustrated in the following chart:

<u>Claimant's Asserted Amount</u>		\$9,225,767.18
<u>Modifications</u>	Prepetition Overpayment	(\$68,308.80)
<u>Reconciled Amount</u>		\$9,157,458.38

9. DAS LLC does not dispute the remaining \$9,157,458.38 of the Claim and requests that the Claim be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$9,157,458.38.

Reservation Of Rights

10. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim

and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) reducing the Proof of Claim to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$9,157,458.38, and (b) granting the Debtors such other and further relief as is just.

Dated: New York, New York
December 13, 2007

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